

**RESOLUTION OF THE
WHITE MOUNTAIN APACHE TRIBE OF THE
FORT APACHE INDIAN RESERVATION**

WHEREAS, the White Mountain Apache Tribe entered into a certain Lease on behalf of Fort Apache Timber Company ("FATCO") and Northern Bear Funding, Inc. for the acquisition of certain equipment for FATCO; and

WHEREAS, the White Mountain Apache Tribe in 1991 established the Permanent Trust Fund to provide financial protection and security for the future; and

WHEREAS, the Trust Fund requires an annual contribution of 8% of total Tribal revenue, subject to change by the Tribal Council, provided that the rate is not greater than 12% nor less than 5%; and

WHEREAS, the Permanent Trust Fund has not been funded in recent years; and

WHEREAS, the Tribal Council concludes that to best serve the fiscal obligations and goals of the Tribe, the annual contribution percentage rate from the Tribe's general revenue for the Permanent Trust Fund should be reduced to 5% which should be retroactive to include the years encompassing 1996 to the present date and continuing until further revision by the Tribal Council; and

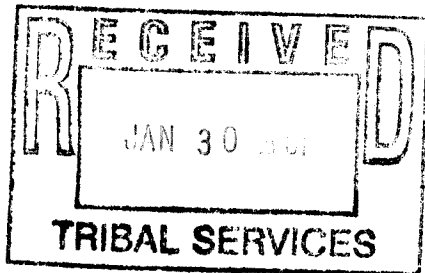
WHEREAS, the funding of past payments to the Permanent Trust Fund and future payments during the term of the aforementioned lease could jeopardize payment of debt obligations when due.

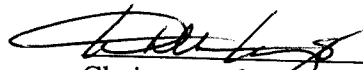
BE IT RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it recognizes the importance and value of maintaining its contributions to the Permanent Trust Fund, but that it cannot allow trust fund contributions to hinder its lawful obligations for debt repayment, and accordingly, the Council has always seen that all annual debt obligations are satisfied, to maintain Tribal fiscal and credit integrity, before authorizing any transfer of funds into the Permanent Trust Fund account, and on that basis the Council reaffirms that:

1. Past due payments to the Permanent Trust Fund shall not be made to the extent that such payments may impair the ability of the White Mountain Apache Tribe to meet debt obligations, and
2. Future payments to the Permanent Trust Fund shall not be made to the extent that such payments may impair the ability of the White Mountain Apache Tribe to meet current or future debt obligations.

BE IT FURTHER RESOLVED by the Tribal Council of the White Mountain Apache Tribe that it hereby approves a change of the contribution rate to the Tribal Permanent Trust Fund to 5% of the Tribe's general revenue, pursuant to Section 9.5 of the Permanent Trust Fund ordinance, and such change shall be retroactive to include the years encompassing 1996 to the present date and continuing until further revision by the Tribal Council.

The foregoing resolution was on January 24, 2001 duly adopted by a vote of 5 for and 0 against by the Tribal Council of the White Mountain Apache Tribe, pursuant to authority vested in it by Article IV, Section 1 (a), (i), (s), (t) and (u) of the Constitution of the Tribe, ratified by the Tribe September 30, 1993, and approved by the Secretary of the Interior on November 12, 1993, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).




Chairman of the Tribal Council


Secretary of the Tribal Council